
HOUSE BILL No. 1588

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-12-18.5.

Synopsis: Payments in lieu of taxes. Authorizes a unit of government other than a township to enter into an agreement with a developer that is: (1) certified as tax exempt; and (2) using tax exempt financing; for the developer to make a payment in lieu of taxes.

Effective: July 1, 2003.

Summers

January 16, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1588

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-7-12-18.5 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 18.5. A unit may
- 3 initiate a program for financing economic development or pollution
- 4 control facilities for developers and users in Indiana through the
- 5 issuance of taxable or tax-exempt bonds. In furtherance of this
- 6 objective, the unit may do any of the following:
- 7 (1) Establish eligibility standards for developers and users,
- 8 without complying with IC 4-22-2. However, these standards have
- 9 the force of law if the standards are adopted after a public hearing
- 10 for which notice has been given by publication under IC 5-3-1.
- 11 (2) Contract with any entity securing the payment of bonds issued
- 12 under this chapter and authorizing the entity to approve the
- 13 developers and users that can finance or refinance economic
- 14 development or pollution control facilities with proceeds from the
- 15 bond issue secured by that entity.
- 16 (3) Lease to a developer or user economic development or
- 17 pollution control facilities upon terms and conditions that the unit



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considers proper and, with respect to the lease:

(A) charge and collect rents;

(B) terminate the lease upon the failure of the lessee to comply with any of its obligations under the lease or otherwise as the lease provides; **and**

(C) include in the lease provisions that the lessee has the option to renew the term of the lease for such periods and at such rents as may be determined by the unit or to purchase any or all of the economic development or pollution control facilities to which the lease applies.

(4) Lend money, upon such terms and conditions as the unit considers proper, to a developer or user under an installment purchase contract or loan agreement to:

(A) finance, reimburse, or refinance the cost of economic development or pollution control facilities; and

(B) take back a secured or unsecured promissory note evidencing such a loan or a security interest in the economic development or pollution control facilities financed or refinanced with the loan.

(5) Sell or otherwise dispose of any unneeded or obsolete economic development or pollution control facilities under terms and conditions determined by the unit.

(6) Maintain, repair, replace, and otherwise improve or cause to be maintained, repaired, replaced, and otherwise improved any economic development or pollution control facilities owned by the unit.

(7) Require any type of security that the unit considers reasonable and necessary.

(8) Obtain or aid in obtaining property insurance on all economic development or pollution control facilities owned or financed, or accept payment if any economic development or pollution control facilities are damaged or destroyed.

(9) Enter into any agreement, contract, or other instrument with respect to any insurance, guarantee, letter of credit, or other form of credit enhancement, accepting payment in such manner and form as provided in the instrument if a developer or user defaults, and assign any such insurance, guarantee, letter of credit, or other form of credit enhancement as security for bonds issued by the unit.

(10) Finance for eligible developers and users the cost of economic development or pollution control facilities as set forth in section 29 of this chapter.

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- 1 **(11) Enter into an agreement with a developer that is:**
- 2 **(A) certified as tax exempt; and**
- 3 **(B) using tax exempt financing;**
- 4 **for the developer to make a payment in lieu of taxes.**

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